

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 02004 170923Z

ACTION EB-08

INFO OCT-01 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02
USIA-06 AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04
NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CEA-01 PA-01
PRS-01 /064 W

-----170928Z 076855 /20

P R 170857Z MAR 77

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 5985

INFO USMISSION USUN

ALL OECD CAPS 175

LIMITED OFFICIAL USE GENEVA 2004

EO 11652: NA

TAGS: UNCTAD, EGEN

SUBJ: UN CONFERENCE ON A COMMON FUND: OPEC STATEMENT ON COMMON
FUND

1. SUMMARY: MARCH 15 PLENARY SPEECH BY OPEC SPECIAL
FUND DG SHITHATA WAS A CAUTIOUS STATEMENT OF THE
POSSIBLE ROLE OF THE OPEC SPECIAL FUND IN ANY EVENTUAL
COMMON FUND ARRANGEMENT. WHILE ENDORSING THE
CONCEPT OF A CENTRAL FUNDING INSTITUTION, SHIHATA
ARGUED THAT SUCH AN INSTITUTION SHOULD BE A UNIVERSAL
ENDEAVOR, THAT ALL SERIOUS PROPOSALS FOR SUCH AN
INSTITUTION SHOULD BE EXAMINED, THAT OPEC COUNTRIES
DO NOT WANT TO BE TREATED AS A SEPARATE BLOCK BUT
WILL CONTRIBUTE UNDER THE SAME AGREED FORMULA AS
OTHER NATIONS, AND THAT THE FINANCIAL NEEDS OF AN
INSTITUTION WOULD DEPEND ON THE ACTUAL EXISTENCE AND
REQUIREMENTS OF ESTABLISHED COMMODITY ORGANIZATIONS.
(MEYER IS HAD CARRYING TO WENDT, EB/ORF/ICD)
END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 02004 170923Z

2. SHIHATA EXPLAINED THAT OPEC SPECIAL FUND WOULD
EVENTUALLY FINANCE OPEC MEMBER COUNTRY CONTRIBUTIONS
ALTHOUGH COUNTRIES WOULD PARTICIPATE INDIVIDUALLY IN
CF AND ACT WITHIN G-77 GROUP FRAMEWORK. HE LINKED
OPEC SUPPORT TO CONCERN FOR COMMODITY PRICE STABILIZATION
AT LEVELS WHICH GUARANTEE THE PREVENTION OF REAL
PRICE EROSION AND WHICH BENEFIT THE DEVELOPING

COUNTRIES, AND NOT OTHER COMMODITY EXPORTERS OR THE MULTINATIONAL CORPORATIONS. WHILE ENDORSING UNCTAD PROPOSAL AS "SOUND BASIS FOR NEGOTIATION," HE SAID THAT OTHER PROPOSALS LEADING TO THE SAME OBJECTIVE COULD BE STUDIED "IN A CONSTRUCTIVE AND BUSINESSLIKE MANNER." THE PRESENT CONFERENCE, HE SAID, SHOULD REACH AGREEMENT AT LEAST ON THE BASIC PRINCIPLES.

3. CONTRIBUTIONS. NOTING THAT OPEC MEMBER COUNTRIES ACCOUNT FOR LESS THAN 3.5 PERCENT OF THE TRADE OF THE 18 UNCTAD COMMODITIES, HE ANNOUNCED THAT THEY EXPECT TO BE TREATED AS DEVELOPING COUNTRIES, PAYING THEIR SHARE OF AN AGREED FORMULA. HOWEVER, HE NOTED THAT IN ADDITION TO OPEC SPECIAL FUND DIRECT CONTRIBUTIONS, SPECIAL ARRANGEMENTS COULD STILL BE MADE TO EASE THE BURDEN ON THE POOREST COUNTRIES, AND LOANS TO THE COMMON FUND MIGHT BE CONSIDERED IN FUTURE AS POSSIBLY A SOUND INVESTMENT OF LIQUID ASSETS UNDER SUCH TERMS AND CONDITIONS AS MAY BE AGREED UPON IN DUE COURSE WITH CF MANAGEMENT. HE DENIED PRESS REPORTS SUGGESTING THAT OPEC WOULD CONTRIBUTE SPECIAL AND SUBSTANTIAL AMOUNTS OF EQUITY CAPITAL AND LOANS.

4. SHIHATA SAID THE FUND'S FINANCIAL NEEDS WILL BE RELATED TO THE AVAILABILITY OF COMMODITY ORGANIZATIONS WITH THE POWER TO BORROW FROM AN INTERNATIONAL AGENCY, NOTING THAT ONLY TWO SUCH ORGANIZATIONS NOW EXIST. FURTHER, THE FUND'S FINANCIAL RESOURCES SHOULD OBVIOUSLY BE RELATED TO ITS OPERATIONAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 02004 170923Z

NEEDS, STARTING AT A LEVEL COMMENSURATE WITH THE REQUIREMENTS OF EXISTING COMMODITY ORGANIZATIONS, WHILE ALLOWING FOR FUTURE INCREASES AS NEW POTENTIAL BORROWERS.

5. THROUGHOUT STATEMENT, SHIHATA UNDERLINED REQUIREMENT THAT THE COMMON FUND BE FINANCIALLY SOUND, WITHOUT SO DIRECTLY STATING. SORENSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FUND ALLOTMENT, INTERNATIONAL ORGANIZATIONS, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977GENEVA02004
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770091-0848
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770350/aaaabrpn.tel
Line Count: 105
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2aae09b7-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3082720
Secure: OPEN
Status: NATIVE
Subject: UN CONFERENCE ON A COMMON FUND: OPEC STATEMENT ON COMMON FUND
TAGS: EGEN, UNCTAD, OPEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2aae09b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009